



15045424

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549ANNUAL AUDITED REPORT
FORM X-17A-5
PART III

FACING PAGE

Information Required of Brokers and Dealers Pursuant to Section 17 of the
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder

OMB APPROVAL

OMB Number: 3235-0123
Expires: March 31, 2016
Estimated average burden
hours per response... 12.00

SEC FILE NUMBER

8-67051

REPORT FOR THE PERIOD BEGINNING 01/01/2014 AND ENDING 12/31/2014

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER:

CSP Securities, LP

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

13355 Noel Road, Suite 1050

(No. and Street)

Dallas

(City)

Texas

(State)

75240

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

Tiffany Lauterbach

972-980-5808

(Area Code - Telephone No.)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

CF & Co., L.L.P.

(Name - if individual, state last, first, middle name)

8750 N. Central Expressway, Suite 300

(Address)

Dallas

(City)

TX

(State)

75231

(Zip Code)

CHECK ONE:



Certified Public Accountant



Public Accountant



Accountant not resident in United States or any of its possessions.


FOR OFFICIAL USE ONLY

*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2).

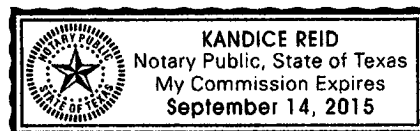
2/20/15

OATH OR AFFIRMATION

I, Clay Deniger, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statements and supporting schedules pertaining to the firm of CSP Securities, LP, as of December 31, 2014 are true and correct. I further swear (or affirm) that neither the Partnership nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:


Signature
Principal
Title


Notary Public



This report** contains (check all applicable boxes):

- ☒ (a) Facing Page.
- ☒ (b) Statement of Financial Condition.
- ☒ (c) Statement of Income (Loss).
- ☒ (d) Statement of Cash Flows.
- ☒ (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietor's Capital.
- ☒ (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- ☒ (g) Computation of Net Capital.
- ☒ (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- ☒ (i) Information Relating to the Possession or control Requirements Under Rule 15c3-3.
- ☒ (j) A Reconciliation, including appropriate explanation, of the Computation of Net Capital Under Rule 15c3-1 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- ☐ (k) A Reconciliation between the Audited and Unaudited Statements of Financial Condition with respect to methods of Consolidation.
- ☒ (l) An Oath or Affirmation.
- ☒ (m) A copy of the SIPC Supplemental Report.
- ☐ (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.
- ☒ (o) Report of Independent Registered Public Accounting Firm on Management's Exemption Report.

**For conditions of confidential treatment of certain portions of this filing, see Section 240.17a-5(e)(3).

CSP SECURITIES, LP

REPORT PURSUANT TO RULE 17a-5(d)

YEAR ENDED DECEMBER 31, 2014

CSP SECURITIES, LP

CONTENTS

| | <u>PAGE</u> |
|--|-------------|
| REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM | 1 |
| STATEMENT OF FINANCIAL CONDITION | 2 |
| STATEMENT OF INCOME | 3 |
| STATEMENT OF CHANGES IN PARTNERS' CAPITAL | 4 |
| STATEMENT OF CHANGES IN LIABILITIES SUBORDINATED TO CLAIMS OF GENERAL CREDITORS | 5 |
| STATEMENT OF CASH FLOWS | 6 |
| NOTES TO FINANCIAL STATEMENTS | 7-9 |
| SUPPORTING SCHEDULES | |
| Schedule I: Computation of Net Capital under Net Capital Rule 15c3-1 of the Securities and Exchange Commission | 11 - 12 |
| Schedule II: Computation for Determination of Reserve Requirements Under Rule 15c3-3 of the Securities and Exchange Commission | 13 |
| REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM ON MANAGEMENT'S EXEMPTION REPORT | 15-16 |
| INDEPENDENT ACCOUNTANT'S REPORT ON THE SIPC ANNUAL ASSESSMENT REQUIRED BY SEC RULE 17a-5 | 18-20 |



REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the General Partner of
CSP Securities, LP

We have audited the accompanying statement of financial condition of CSP Securities, LP (the "Partnership") as of December 31, 2014, and the related statements of income, changes in partner's capital, changes in liabilities subordinated to claims of general creditors, and cash flows for the year then ended. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the standards of the Public Partnership Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. Our audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of CSP Securities, LP as of December 31, 2014, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States.

The supplementary information contained in Schedules I and II (the Supplemental Information) has been subjected to audit procedures performed in conjunction with the audit of the Partnership's financial statements. The Supplemental Information is the responsibility of the Partnership's management. Our audit procedures included determining whether the Supplemental Information reconciles to the financial statements or the underlying accounting and other records, as applicable and performing procedures to test the completeness and accuracy of the information presented in the Supplemental Information. In forming our opinion on the Supplemental Information, we evaluated whether the Supplemental Information, including its form and content is presented in conformity with 17C.F.R. § 240.17a-5. In our opinion, the supplementary information contained in Schedules I and II is fairly stated, in all material respects, in relation to the financial statements as a whole.

CF & Co. L.P.
CF & Co., L.L.P.

Dallas, Texas
February 12, 2015

CSP SECURITIES, LP
Statement of Financial Condition
December 31, 2014

ASSETS

| | |
|---------------------------------|----------------------|
| Cash | \$ 1,691,906 |
| Accounts receivable | 10,419,185 |
| Prepaid expense / Related Party | 35,000 |
| Other assets | <u>1,710</u> |
| Total assets | <u>\$ 12,147,801</u> |

LIABILITIES AND PARTNERS' EQUITY

| | |
|--|----------------------|
| Liabilities: | |
| Incentive fees payable / Related parties | \$ 2,610,764 |
| State margin tax payable | <u>58,839</u> |
| | 2,669,603 |
| Partners' capital | <u>9,478,198</u> |
| Total liabilities and partners' capital | <u>\$ 12,147,801</u> |

The accompanying notes are an integral part of these financial statements.

CSP SECURITIES, LP
Statement of Income
For the Year Ended December 31, 2014

| | |
|----------------------------------|---------------------|
| Revenues: | |
| Success fees | \$14,793,375 |
| Consulting fees | 725,001 |
| Interest | <u>72,855</u> |
| | <u>15,591,231</u> |
| Expenses: | |
| Overhead allocation fee | 660,000 |
| Incentive fees | 2,251,041 |
| Other | 113,071 |
| Commissions | <u>1,225,118</u> |
| | <u>4,249,230</u> |
| Net income before income taxes | 11,342,001 |
| Provision for state income taxes | <u>56,989</u> |
| Net Income | <u>\$11,285,012</u> |

The accompanying notes are an integral part of these financial statements.

CSP SECURITIES, LP
Statement of Changes in Partners' Equity
For the Year Ended December 31, 2014

| | <u>General Partner</u> | <u>Limited Partner</u> | <u>Total</u> |
|----------------------------------|----------------------------|----------------------------|---------------------|
| Balances at December 31, 2013 | \$ 240,320 | \$ 5,252,866 | \$ 5,493,186 |
| Capital distributions | -- | (7,300,000) | (7,300,000) |
| Net income | <u>112,851</u> | <u>11,172,161</u> | <u>11,285,012</u> |
| Balances at December 31, 2014 | <u>\$ 353,171</u> | <u>\$ 9,125,027</u> | <u>\$ 9,478,198</u> |

The accompanying notes are an integral part of these financial statements.

CSP SECURITIES, LP
Statement of Changes in Liabilities Subordinated
to Claims of General Creditors
For the Year Ended December 31, 2014

| | |
|-------------------------------|----------------------|
| Balance, at December 31, 2013 | \$ -0- |
| Increases | -0- |
| Decreases | <u>-0-</u> |
| Balance, at December 31, 2014 | <u><u>\$ -0-</u></u> |

The accompanying notes are an integral part of these financial statements.

CSP SECURITIES, LP
Statement of Cash Flows
For the Year Ended December 31, 2014

Cash flows from operating activities:

| | |
|---|------------------|
| Net income | \$ 11,285,012 |
| Adjustments to reconcile net income to net cash provided (used) by operating activities: | |
| Change in assets and liabilities: | |
| Increase in accounts receivable | (5,358,387) |
| Increase in other assets | (270) |
| Decrease prepaid expense | 430,222 |
| Increase in incentive fees payable | 1,903,764 |
| Increase in state margin tax payable | <u>35,494</u> |
| Net cash provided (used) by operating activities | <u>8,295,835</u> |

Cash flows from investing activities

| | |
|--|------------|
| Net cash provided (used) by investing activities | <u>-0-</u> |
|--|------------|

Cash flows from financing activities

| | |
|--|---------------------|
| Capital distributions | <u>(7,300,000)</u> |
| Net cash provided (used) by financing activities | <u>(7,300,000)</u> |
| Net increase in cash | 995,835 |
| Cash at beginning of year | <u>696,071</u> |
| Cash at end of year | <u>\$ 1,691,906</u> |

Supplemental schedule of cash flow information:

| | |
|-------------------|------------------|
| Income taxes paid | <u>\$ 21,495</u> |
|-------------------|------------------|

The accompanying notes are an integral part of these financial statements.

CSP SECURITIES, LP
Notes to Financial Statements
December 31, 2014

Note 1 - Summary of Significant Accounting Policies

Organization and Business Activity

CSP Securities, LP (the "Partnership"), a Delaware limited partnership, is a broker-dealer in securities registered with the Securities and Exchange Commission under ("SEC") Rule 15c3-3(k)(2)(i) and is a member of the Financial Industry Regulatory Authority ("FINRA"). The Partnership began operation on January 26, 2006.

The Partnership raises capital from sophisticated institutional and commercial investors for high quality investment firms specializing in private equity and other alternative asset investment strategies.

The General Partner, Capstone Partners GP, LLC, manages the affairs of the Partnership.

Accounts Receivable

The Partnership utilizes the direct write-off method to record bad debts. Management believes that there were no material uncollectible accounts included in accounts receivable at year end.

Management Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Income Taxes

No provision for federal income taxes is required since the partners of the Partnership report their proportionate share of partnership taxable income or loss on their respective federal income tax returns. Such income or losses are proportionately allocated to the partners based upon their ownership interests.

Any potential interest and penalty associated with a tax contingency, should one arise, would be included as a component of income tax expense in the period in which the assessment arises. The Partnership's federal and state income tax returns are subject to examination over various statutes of limitations generally ranging from three to four years.

The Partnership accounts for income taxes in accordance with the *Income Taxes* Topic of the FASB Accounting Standards Codification. Deferred tax assets and liabilities arising from temporary differences between book and tax basis are recognized using the enacted statutory tax rates and laws that will be in effect when such differences are expected to reverse. Deferred tax assets are recognized for temporary differences that will result in deductible amounts in future years. Deferred tax liabilities are recognized for temporary differences that will result in taxable income in future years. In the case of deferred tax assets, a reduction in deferred tax assets are recorded if it is more likely than not that some portion or all of the deferred tax asset will not be realized. Any interest or penalties associated with income taxes would be included as a component of income tax expense in the period in which the assessment arises.

CSP SECURITIES, LP
Notes to Financial Statements
December 31, 2014

Note 1 - Summary of Significant Accounting Policies, continued

Allocation of Income and Loss

Income or loss of the Partnership is generally allocated 99% to the Limited Partner, Capstone Partners, LP and 1% to the General Partner.

Revenue Recognition

Success fees are reflected in the period in which earned. Expense reimbursements are reflected in the period in which the corresponding expense is reflected.

New Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board issued Accounting Standards Update ("ASU") No. 2014-09, "Revenue from Contracts with Customers", which provides guidance for revenue recognition. This ASU's core principle is that a company will recognize revenue when it transfers promised goods or services to customers in an amount that reflects consideration to which the company expects to be entitled in exchange for those goods or services. This ASU also requires additional disclosure about the nature, amount, timing and uncertainty of revenue and cash flows arising from customer contracts, including significant judgments and changes in judgments, and assets recognized from costs incurred to obtain or fulfill a contract. ASU No. 2014-09 allows for either full retrospective or modified retrospective adoption. The ASU will be effective commencing with the Partnership's year ending December 31, 2017. The Partnership is currently assessing the potential impact of this ASU on its financial statements.

Note 2 - Related Party

During 2014, the Partnership incurred an overhead allocation fee of \$660,000 paid to the Limited Partner under an agreement that calls for a minimum management fee of \$55,000 per month.

The Limited Partner and the General Partner are related parties under common control and the existence of that control could create operating results and financial positions different than if the entities were autonomous.

Note 3 - Net Capital Requirements

Pursuant to the net capital provisions of Rule 15c3-1 of the Securities Exchange Act of 1934, a minimum net capital requirement must be maintained, as defined under such provisions. Net capital and the related net capital ratio may fluctuate on a daily basis. At December 31, 2014, the Partnership had net capital of approximately \$1,630,399 and net capital requirements of \$128,236. The ratio of aggregate indebtedness to net capital was 1.09 to 1. The SEC permits a ratio of no greater than 15 to 1.

Capital distributions to partners can be made under a capital distribution policy approved by the General Partner. Periodic distributions approved by the General Partner may be made to enable the partners to pay federal income taxes on Partnership profits, among other purposes.

Note 4 - Possession or Control Requirements

CSP SECURITIES, LP
Notes to Financial Statements
December 31, 2014

The Partnership holds no customer funds or securities. There were no material inadequacies in the procedures followed in adhering to the exemptive provisions of (SEC) Rule 15c3-3(k)(2)(i).

Note 5 - Concentration Risk

During 2014, 96.72% of the Partnership's revenue was earned from four sources and 78.44% of accounts receivable at December 31, 2014 was due from these four sources.

The Partnership maintains cash balances that may at various times exceed federally insured amounts.

Supplementary Information

Pursuant to Rule 17a-5 of the
Securities Exchange Act of 1934

For the Year Ended
December 31, 2014

Schedule I

CSP SECURITIES, LP
Computation of Net Capital Under Rule 15c3-1
of the Securities and Exchange Commission
As of December 31, 2014

COMPUTATION OF NET CAPITAL

| | | |
|--|----------------|--------------------|
| Total partners' capital qualified for net capital | | \$9,478,198 |
| Add: | | |
| Other deductions or allowable credits | | <u>-0-</u> |
| Total capital and allowable subordinated liabilities | | 9,478,198 |
| Deductions and/or charges | | |
| Non-allowable assets: | | |
| Accounts receivable less direct related payables | \$(7,811,089) | |
| Prepaid expenses | (35,000) | |
| Other assets | <u>(1,710)</u> | <u>(7,847,799)</u> |
| Net capital before haircuts on securities positions | | 1,630,399 |
| Haircuts on securities (computed, where applicable, pursuant to Rule 15c3-1(f)) | | <u>-0-</u> |
| Net capital | | <u>\$1,630,399</u> |

AGGREGATE INDEBTEDNESS

Items included in statement of financial condition:

| | |
|---|--------------------|
| State margin tax payable | \$ 58,839 |
| Incentive fees payable less than one year | 1,730,389 |
| Incentive fees not subject to offset | <u>2,666</u> |
| Total aggregate indebtedness | <u>\$1,791,894</u> |

Schedule I (continued)

CSP SECURITIES, LP
Computation of Net Capital Under Rule 15c3-1
of the Securities and Exchange Commission
As of As of December 31, 2014

COMPUTATION OF BASIC NET CAPITAL REQUIREMENT

| | |
|--|--------------------|
| Minimum net capital required (6 2/3% of total aggregate indebtedness) | <u>\$ 128,377</u> |
| Minimum dollar net capital requirement of reporting broker or dealer | <u>\$ 5,000</u> |
| Net capital requirement (greater of above two minimum requirement amounts) | <u>\$ 128,377</u> |
| Net capital in excess of required minimum | <u>\$1,791,894</u> |
| Excess net capital at 1000% | <u>\$1,451,209</u> |
| Ratio: Aggregate indebtedness to net capital | <u>1.09 to 1</u> |

RECONCILIATION WITH COMPANY'S COMPUTATION

There were no differences in the computation of net capital under Rule 15c3-1 from the Company's computation.

Schedule II

CSP SECURITIES, LP

Computation for Determination of Reserve Requirements Under Rule 15c3-3 of the Securities and Exchange Commission As of December 31, 2014

EXEMPTIVE PROVISIONS

The Partnership has claimed an exemption from Rule 15c3-3 under section (k)(2)(i) in that the Partnership does not hold customers' monies or securities.

Report of Independent Registered Public Accounting Firm
On Management's Exemption Report

Required By SEC Rule 17a-5

Year Ended December 31, 2014




REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM
ON MANAGEMENT'S EXEMPTION REPORT

To the General Partner of
CSP Securities, LP

We have reviewed management's statements, included in the accompanying exemption report, in which (a) CSP Securities, LP identified the following provisions of 17 C.F.R. § 15c3-3(k) under which CSP Securities, LP claimed an exemption from 17 C.F.R. § 240.15c3-3: (k)(2)(i) (the "exemption provisions") and (b) CSP Securities, LP stated that CSP Securities, LP met the identified exemption provisions throughout the period from June 1, 2014 to December 31, 2014 without exception. CSP Securities, LP's management is responsible for compliance with the exemption provisions and its statements.

Our review was conducted in accordance with the standards of the Public Company Accounting Oversight Board (United States) and, accordingly, included inquiries and other required procedures to obtain evidence about CSP Securities, LP's compliance with the exemption provisions. A review is substantially less in scope than an examination, the objective of which is the expression of an opinion on management's statements. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to management's statements referred to above for them to be fairly stated, in all material respects, based on the provisions set forth in paragraph (k)(2)(i) of Rule 15c3-3 under the Securities Exchange Act of 1934.


CF & Co., L.L.P.

Dallas, Texas
February 12, 2015

CSP Securities, LP



January 19, 2015

To the best of our knowledge and belief, CSP Securities, LP acts as a limited broker/dealer and has met the specific exemption relied upon under Rule 15c3-3(k)(2)(i) of the Securities Exchange Act of 1934 for the period of June 1, 2014 through December 31, 2014 without exception.



Clay K. Deniger
Principal

Report of Independent Registered Public Accounting Firm
On the SIPC Annual Assessment

Required By SEC Rule 17a-5

Year Ended December 31, 2014



REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM
REPORT ON THE SIPC ANNUAL ASSESSMENT

To the General Partner of
CSP Securities, LP

In accordance with Rule 17a-5(e)(4) under the Securities Exchange Act of 1934, we have performed the procedures enumerated below with respect to the accompanying Schedule of Assessment and Payments ("Form SIPC-7") to the Securities Investor Protection Corporation ("SIPC") for the year ended December 31, 2014, which were agreed to by CSP Securities, LP and the Securities and Exchange Commission, Financial Industry Regulatory Authority, Inc. and SIPC, solely to assist you and the other specified parties in evaluating CSP Securities, LP's compliance with the applicable instructions of the Form SIPC-7. Management is responsible for CSP Securities, LP's compliance with those requirements. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures we performed and our findings are as follows:

1. Compared the listed assessment payments in Form SIPC-7 with respective cash disbursements records entries (cash disbursements journal) noting no differences;
2. Compared the amounts reported on the audited Form X-17A-5 for the year ended December 31, 2014 with the amounts reported in Form SIPC-7 for the year ended December 31, 2014 noting no differences;
3. Compared any adjustments reported in Form SIPC-7 with supporting schedules and working papers noting no differences; and
4. Proved the arithmetical accuracy of the calculations reflected in Form SIPC-7 and in the related schedules and working papers supporting the adjustments noting no differences.

We were not engaged to, and did not conduct an examination, the objective of which would be the expression of an opinion on compliance. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the specified parties listed above and is not intended to be and should not be used by anyone other than these specified parties.

CF #60.220.
CF & Co., L.L.P.

Dallas, Texas
February 12, 2015

SIPC-7

(33-REV 7/10)

SECURITIES INVESTOR PROTECTION CORPORATIONP.O. Box 92185 Washington, D.C. 20090-2185
202-371-8300**General Assessment Reconciliation**

For the fiscal year ended 12/31/2014

(Read carefully the instructions in your Working Copy before completing this Form)

SIPC-7

(33-REV 7/10)

TO BE FILED BY ALL SIPC MEMBERS WITH FISCAL YEAR ENDINGS.

1. Name of Member, address, Designated Examining Authority, 1934 Act registration no. and month in which fiscal year ends for purposes of the audit requirement of SEC Rule 17a-5:

20*20*****2921*****MIXED AADC 220
067051 FINRA DEC
CSP SECURITIES LP
13355 NOEL RD STE 1050
DALLAS TX 75240-6830

Note: If any of the information shown on the mailing label requires correction, please e-mail any corrections to form@sipc.org and so indicate on the form filed.

Name and telephone number of person to contact respecting this form.

2. A. General Assessment (item 2e from page 2)

\$ 3898.08

B. Less payment made with SIPC-6 filed (exclude interest)

(21,193.62)July 16, 2014
Date Paid

C. Less prior overpayment applied

()

D. Assessment balance due or (overpayment)

17,784.46

E. Interest computed on late payment (see instruction E) for _____ days at 20% per annum

0

F. Total assessment balance and interest due (or overpayment carried forward)

\$ 17,784.46

G. PAID WITH THIS FORM:

Check enclosed, payable to SIPC
Total (must be same as F above)\$ 17,784.46

H. Overpayment carried forward

\$()

3. Subsidiaries (S) and predecessors (P) included in this form (give name and 1934 Act registration number):

The SIPC member submitting this form and the person by whom it is executed represent thereby that all information contained herein is true, correct and complete.

CSP Securities, LP

(Name of Corporation, Partnership or other organization)

Franklin

(Authorized Signature)

FNOP

(Title)

Dated the 20 day of January, 20 15.

This form and the assessment payment is due 60 days after the end of the fiscal year. Retain the Working Copy of this form for a period of not less than 6 years, the latest 2 years in an easily accessible place.

SIPC REVIEWER

Dates:

Postmarked _____

Received _____

Reviewed _____

Calculations _____

Documentation _____

Forward Copy _____

Exceptions:

Disposition of exceptions:

**DETERMINATION OF "SIPC NET OPERATING REVENUES"
AND GENERAL ASSESSMENT**

Amounts for the fiscal period
beginning 1/1/2014
and ending 12/31/2014

Item No.

2a. Total revenue (FOCUS Line 12/Part IIA Line 9, Code 4030)

Eliminate cents
\$ 15,591,230

2b. Additions:

- (1) Total revenues from the securities business of subsidiaries (except foreign subsidiaries) and predecessors not included above.
- (2) Net loss from principal transactions in securities in trading accounts.
- (3) Net loss from principal transactions in commodities in trading accounts.
- (4) Interest and dividend expense deducted in determining item 2a.
- (5) Net loss from management of or participation in the underwriting or distribution of securities.
- (6) Expenses other than advertising, printing, registration fees and legal fees deducted in determining net profit from management of or participation in underwriting or distribution of securities.
- (7) Net loss from securities in investment accounts.

Total additions

2c. Deductions:

- (1) Revenues from the distribution of shares of a registered open end investment company or unit investment trust, from the sale of variable annuities, from the business of insurance, from investment advisory services rendered to registered investment companies or insurance company separate accounts, and from transactions in security futures products.
- (2) Revenues from commodity transactions.
- (3) Commissions, floor brokerage and clearance paid to other SIPC members in connection with securities transactions.
- (4) Reimbursements for postage in connection with proxy solicitation.
- (5) Net gain from securities in investment accounts.
- (6) 100% of commissions and markups earned from transactions in (i) certificates of deposit and (ii) Treasury bills, bankers acceptances or commercial paper that mature nine months or less from issuance date.
- (7) Direct expenses of printing advertising and legal fees incurred in connection with other revenue related to the securities business (revenue defined by Section 16(9)(L) of the Act).
- (8) Other revenue not related either directly or indirectly to the securities business.
(See Instruction C):

(Deductions in excess of \$100,000 require documentation)

- (9) (i) Total interest and dividend expense (FOCUS Line 22/PART IIA Line 13, Code 4075 plus line 2b(4) above) but not in excess of total interest and dividend income. \$

- (ii) 40% of margin interest earned on customers securities accounts (40% of FOCUS line 5, Code 3960). \$

Enter the greater of line (i) or (ii)

Total deductions

2d. SIPC Net Operating Revenues

\$ 15,591,230

2e. General Assessment @ .0025

\$ 38,978.08
(to page 1, line 2.A.)